

ROBERT T. KAWAMOTO, ESQ.  
LAW OFFICE OF ROBERT T. KAWAMOTO  
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San Francisco, CA 94111  
(415) 487-9790  
State Bar ID No. 78820

Attorney for Debtor

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re:	Case No. 16-30291
Paul J. Araya	Chapter 13
	MOTION TO APPROVE LOAN
	MODIFICATION AGREEMENT AFTER
	COMPLETION OF MORTGAGE
Debtor.	MODIFICATION MEDIATION PROGRAM

Paul J. Araya (the "Debtor") hereby moves (the "Motion") the Court for entry of an order approving a loan modification agreement entered into with Wells Fargo Home Mortgage (the "Lender") based upon the following:

1. On April 20, 2016, the Court referred the above-captioned case to the Mortgage Modification Mediation Program (the "MMM Program" [Dkt No. 22] with respect to the real property located at 5135 Homestead Way, Antioch, CA 94531.

2. On March 21, 2016, the Debtor filed a Chapter 13 Plan which includes the Required Chapter 13 Plan Language specified in Section 11(c) of the MMM Procedures [Dkt No. 2]. On July 27, 2016, the Debtor filed a Second Amended Chapter 13 Plan which retains the Required Chapter 13 Plan Language specified in Section 11(c) of the MMM Procedures [Dkt No. 38]. On August 17, 2016, the Debtor filed a Third Amended Chapter 13 Plan which retains the Required Chapter 13 Plan Language specified in Section 11(c) of the MMM Procedures [Dkt No. 43].

3. On or about November 30, 2016, the Lender submitted to debtor a letter

1 summarizing the terms of a final loan modification agreement (the "Final Agreement"), a true  
2 and correct copy of which is attached hereto as Exhibit A. The essential terms of the  
3 agreement are summarized as follows:

	<u>Original Loan</u>	<u>Modified Loan</u>
4 Principal balance	\$405,877.71	\$404,223.48
5 Interest Rate	3.140%	3.140%
6 Interest Type	Fixed - step up	Fixed -step up
7 Maturity Date	05/01/2036	09/01/2040
8 Principal and Interest Amount	\$2,285.28	\$2,014.09
9 Total Payments Including escrow, if applicable)	\$2,703.78	\$2,432.59
10 Incorporates Pre-Petition 11 Arrears (Yes or No)		Yes

12  
13 4. On August 11, 2016, the Court entered an Order Granting Motion to Approve  
14 Trial Loan Modification Agreement and Authorizing Trustee to Make Distributions prior to  
15 Confirmation [Dkt. No. 40] (the "Trial Modification Order"). In order to facilitate payments  
16 required by the Final Agreement, the parties request that the Trustee be authorized to  
17 distribute payments prior to confirmation as follows:

18   X   A. As specified in the Trial Modification Order.

19   X   B. The Debtor's new mortgage payment to the Lender shall be in the amount  
20 of \$2,432.59 per month, which includes principal, interest, and escrow amounts for property  
21 taxes and insurance. The effective interest rate for the trial payments shall be 3.140% per  
22 annum. The payments shall commence on January 1, 2017 and continue through September  
23 1, 2040. The Trustee shall make the payments payable to Wells Fargo Home Mortgage and  
24 mailed to Box 51120, 3440 Flair Drive, El Monte, CA 91731. The last four digits of the  
25 account number or the other unique identifier for these trial payments is 3026.

26 5. The Debtor asserts that the Agreement is reasonable and in the best interests of  
27 the estate and its creditors.  
28

1       WHEREFORE, the Debtor requests that the Court enter an order approving the  
2 Motion and for such other and further relief as the Court deems just and proper.

3 Date: \_Dec 9, 2016

Respectfully submitted,

4                   /s/ Robert T. Kawamoto \_\_\_\_\_  
5 Robert T. Kawamoto  
6 Attorney for Debtor  
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**Account Information**

Fax: (866) 590-8910

Telephone: (800) 416-1472

Correspondence: PO Box 10335  
Des Moines, IA 50306

Hours of Operation: Mon - Fri 8:00-5:00 CT

Loan Number: 0482923026

Property Address:

5135 HOMESTEAD WAY  
ANTIOCH, CA 94531-8472

11/30/2016

ROBERT T KAWAMOTO  
101 CALIFORNIA ST.  
#2710  
SAN FRANCISCO, CA 94111Subject: Loan modification proposal  
Borrower(s): PAUL J ARAYA and NATALIE JEAN ARAYA  
Bankruptcy Case No.: 1630291  
Loan No.: 0482923026  
Property Address:  
5135 HOMESTEAD WAY  
ANTIOCH, CA 94531-8472

Dear ROBERT T KAWAMOTO:

Your client is eligible for a loan modification. As previously described, if your client complies with the terms of the trial period plan, we will modify their mortgage loan. The modification agreement below reflects the proposed modification.

As a result of your client's bankruptcy case, this letter is not an attempt to collect a debt from your client or in any way violate any provision of the United States Bankruptcy Code. This letter has been sent to you for informational purposes only. This is not a bill or a request for payment, or a statement that your client is personally obligated in any way to make a payment. Your client's decision to discuss workout options with Wells Fargo Home Mortgage is strictly voluntary. Your client is not obligated to pursue any workout options discussed with us. At your request, we will immediately terminate any such discussions should your client no longer wish to pursue these options.

**How your client can accept this offer:**

Please review the proposal with your client. If the terms meet your approval, the next step is to file a petition with the bankruptcy court to gain their consent to modify the first mortgage. Your client will need to continue to make their trial period payments if applicable while we are waiting for consent from the court. When you receive written consent, please forward it to my attention. Once received, we will send the loan documents to you and your client for original signatures. If you are in a Chapter 13 bankruptcy case, any court consent shall provide that the lender is allowed to amend any proof of claim to reflect the amounts paid by the Chapter 13 Trustee prior to the date of the modification.

If the case has already closed, forward to us a copy of the release. If the terms are not satisfactory to you, please contact us and we will close the file with no further actions. Approval of the loan modification is contingent on court consent or release of the case.

**Modification Proposal**

Current Terms		Proposed Modified Terms	
Current Unpaid Principal Balance	\$405,877.71	Post Modification Unpaid Principal Balance	\$404,223.48
Current Maturity Date	05/01/2036	Post Modification Maturity Date	09/01/2040
Current Term (in months)	233	Post Modification Term (in months)	285
Current Payment Due Date	10/01/2008	Post Modification Due Date	01/01/2017
Current Principal and Interest	\$2,285.28	Post Modification Principal and Interest	\$2,014.09
Current Payment Amount	\$2,703.78	Estimated Post Modification Payment Amount	\$2,432.59
Current Interest Rate	3.140 %	Post Modification Interest Rate	3.140 %
		Deferred Principal Balance	\$45,124.70
		Amount(Capitalized)	\$43,470.47

Years	Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment	Monthly Escrow Payment Amount	Total Monthly Payment	Payment Begins On	Number of Monthly Payments
1-5	3.140	12/01/2016	\$2,014.09	418.50*	2,432.59*	01/01/2017	60
6-24	4.000	12/01/2021	\$2,164.14	418.50*	2,582.64*	01/01/2022	225

**If your client is seeking a reaffirmation**

If your client intends to reaffirm, please provide us with the agreement specific to your district. With regard to a bankruptcy, we do not have a standard reaffirmation agreement to extend because requirements vary from district to district. Once we receive your district-specific agreement, we will complete the required entries and return it to your office for the required undue hardship analysis and filing with the respective court.

**Call me today if you have any questions**

If you or your client has questions about the information in this letter, please call me at the number below.

Sincerely,

**CAIN KREMITZKI**  
**HOME PRESERVATION SPECIALIST**  
**PHONE: 855-716-0537**  
**EXT: 1335427363**

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